

The background features a series of concentric circles in light gray and dashed lines. A green speech bubble with a tail pointing downwards is centered on the page, containing the text.

Affordable Housing Trust Fund

Construction Funding For Rental and For-Sale Housing

This presentation covers:

What's eligible to be funded with Trust Fund Construction dollars?

Who's eligible to apply for Trust Fund dollars

Development Projects Should Solve a Problem

How to Apply for Trust Fund Construction Funding

Trust Fund Priorities - What makes a great project

Gap Financing: How to Determine the Gap for Rental Housing

How AHC Rental loans are structured

Gap Financing: How to Determine the Gap for For-Sale Housing

How AHC For-Sale funding is structured

How Decisions are Made

Recap

The background features a series of concentric circles in light gray and dashed lines. A large green speech bubble is centered on the page, containing the text.

Purpose of Trust Fund Construction Funding

Create, preserve, and expand affordable
housing in the City of St. Louis

What type of
housing
construction is
eligible?



New Construction of for-sale homes



New Construction of rental housing

What type of
housing
construction is
eligible?



Rehabilitation of for-sale homes

Rehabilitation of rental housing



General Terms & Guidelines

What is Affordable Housing?

Housing is considered affordable when it does not cost more than 30% of household income.

Fall 2022 Funding Round Sources

The Affordable Housing Commission will be awarding funds from three sources during this round. AHC has combined the application process for the three sources of funds.

Affordable Housing Trust Fund - \$5,719,372

American Rescue Plan Act State and Local Fiscal Recovery Funds - \$2,000,000

Equitable Development Contribution - \$900,000 within the 2021 17th ward boundaries and \$400,000 north of Delmar Boulevard

Housing Developers may apply for funding for For-Sale Housing or for Rental Housing. Separate application forms are available for each type of request. The Commission may award funds from a combination of funding sources. **Developers may opt out of consideration for the American Rescue Plan Act State and Local Fiscal Recovery Funds (SLFRF) on Page 1 of the application.**

◆ **Development Information**

Project Name:

Street Address:

Neighborhood

St. Louis, MO

Zip:

Ward:

Census Tract:

Property ID#:

Is property located on or north of Delmar Blvd?

Is property in one of the Zip Codes below?

63101

63102

63103

63106

63107

63108

63112

63113

63115

63147

Do You Object To Receiving SLFRF Funding?

2022 Income Guidelines

All Trust Fund-assisted housing
**must serve households earning
at or below 80% of the Area
Median Income**

2022 Income Guidelines City of St. Louis Income Limits for Applicable Programs

Family Size	1	2	3	4	5	6	7	8
20%	\$13,608	\$15,552	\$17,496	\$19,440	\$20,995	\$22,550	\$24,106	\$25,676
30%	\$19,950	\$22,800	\$25,650	\$28,450	\$32,470	\$37,190	\$41,910	\$46,630
40%	\$27,216	\$31,104	\$34,992	\$38,880	\$41,990	\$45,101	\$48,211	\$51,353
50%	\$33,250	\$38,000	\$42,750	\$47,450	\$51,250	\$55,050	\$58,850	\$62,650
60%	\$40,824	\$46,656	\$52,488	\$58,320	\$62,986	\$67,651	\$72,317	\$76,985
70%	\$47,628	\$54,432	\$61,236	\$68,040	\$73,483	\$78,926	\$84,370	\$89,867
80%	\$53,150	\$60,750	\$68,350	\$75,900	\$82,000	\$88,050	\$94,150	\$100,200

St. Louis Area (MO-IL) Median Family Income (AMI) for year 2022 is \$97,200.
Source: HUD April 2022, Effective April 2022.

Who is eligible to apply for Development Funding?

- - Non-profit organizations working with a housing or neighborhood organization (sponsor)
- - For-profit developers/private builders working with a housing or neighborhood organization (sponsor)
- - Property owners working with a housing or neighborhood organization (sponsor)
- AHC's ordinance requires all Trust-Fund assisted developments have a housing or neighborhood organization sponsor. The purpose is to get the developer to work with the residents and to align development goals with community goals.

Projects should solve a problem

- 1) What you're going to do
- 2) Who it's for
- 3) Why it's needed
- 4) How it will get done

Frame the proposal as a solution

Explain how your project solves a housing problem.

Examples:

Acquire and comprehensively rehabilitate 4 3-bedroom, energy-efficient homes within ½ mile of a frequent service bus route. After rehabilitation, the homes will be rented to families earning $\leq 70\text{-}80\%$ AMI (moderate-income) residents for 30 years.

Construct new, energy-efficient, for-sale homes to be sold to households earning $\leq 80\%$ AMI. The parcels are within ½ mile of a metro stop and are located in an increasingly popular neighborhood where housing costs are rising faster than incomes and lower-income residents are being displaced. Construction and sale of AHC-assisted homes will expand home ownership to moderate income households, ensuring moderate income households are able to remain in the neighborhood.

Priorities,

Page 1

- Propose housing, shelter, or housing services for persons and families with incomes at or below 20% of the area median income.**
- Propose permanent supportive housing for special needs and vulnerable populations with incomes at or below 30% of the area median income.**
- Propose housing, shelter, or housing services for persons and families with incomes at or below 65% of the area median income.**
- Proposes housing, shelter, or housing services for persons and families with incomes at or below 80% of the area median income and is located within a U.S. Department of Housing and Urban Development Qualified Census Tract in the City of St. Louis (2022).
https://www.huduser.gov/portal/sadda/sadda_qct.html.**

Priorities, Page 2

- **Provide assistance or initiatives that prevent homelessness for households or individuals earning at or below 80% AMI.**
- **Develop affordable housing units while advancing fifteen (15) or more objectives outlined in the City's Sustainability Plan.**
- **Develop affordable housing within one half-mile of public transportation.**
- **Comprehensively retrofit or rehabilitate affordable housing units to a national green building standard (LEED, Enterprise Green, NGBS, etc.), or have an energy audit with a HERS of 85 or less.**

Project Considerations, slide 1

Properties may be scattered.

Keep the properties within 4 blocks.

Keep each proposal within a single ward.

If a project spans 2 wards, separate it into 2 proposals.

Applicants must have site control (ownership such as a warranty deed, an option, or a sale agreement) at the time of application.

Determine how the project aligns with the neighborhood plan.

Does the project strengthen and capitalize on existing assets to benefit the neighborhood?

Project Considerations, slide 2

Get a bid from a reputable general contractor.

Develop a Construction Budget and a Development Budget:

Construction Budget: the amount of money allotted for a specific building or remodeling project. Construction budgets include all construction costs and expenses.

Development Budget: all costs which will be incurred in developing the housing, and all sources of funds to pay for them. These are one time costs incurred between the time a project is conceptualized and the time it is fully occupied.

Project Considerations, slide 3

Determine how many units will be developed.

AHC-assisted units may be a subset of total units developed.

Determine your target market.

Who are your renters?

Will supportive services be provided?

Does the marketing plan support the rent? Does the project support its debt?

Who are your buyers?

Does the marketing plan support the proposed home prices?

What is your plan to sell the homes quickly (within 1-year)?

Market Value Analysis (MVA)

The 2019 Market Value Analysis is ready to use. All applicants are required to include information from the MVA in their proposal.

The MVA is a data-based tool to inform revitalization efforts. It generates reliable market data and local conditions by Census block groups so developers, planners and others can develop effective strategies to capitalize on assets, stimulate investment and preserve and stabilize neighborhoods. Go to:

www.stlouis-mo.gov/data/dashboards/market-value-analysis/index.cfm

Determine the MVA for your selected site.

Use the market value analysis to align your proposal to respond to the market from a position of strength while supporting sustained growth.
[market-value-analysis/index.cfm](http://www.stlouis-mo.gov/data/dashboards/market-value-analysis/index.cfm)

Calculate Affordable Housing

People should not pay more than 30% of their income for housing (rent or mortgage).

Example:

2-person household earns \$40,000.

$$\text{\$40,000} \times .30 = \text{\$12,000}$$

Maximum Allowed Annual Cost for Housing.

Rent cannot exceed \$12,000/year.

Determine Monthly Rent

$$\text{\$40,000 income} \times .30 = \text{\$12,000}$$


$$\text{\$12,000} / 12 \text{ months} = \text{\$1,000 per month}$$

Rent cannot exceed \$1,000 per month.

How To Apply for Construction Funding

Download Applications from AHC Website


www.stlouis-mo.gov/government/departments/affordable-housing/index.cfm

 COVID-19 Information:
[View the latest information about COVID-19 from the City of St. Louis Department of Health](#)

Government > Departments and Agencies

Affordable Housing Commission

We promote City living and neighborhood stabilization through the preservation and production of affordable, accessible housing and support services that enhance the quality of life for those in need.



Top Requested Pages

- [1. Fall 2021 NOFA and Applications](#)
- [2. How To Apply For Funding](#)
- [3. Affordable Housing Commission Documents](#)
- [4. April Ford Griffin](#)
- [5. Affordable Housing Events](#)

[View Department Menu](#)

Contact Info

Phone: (314) 657-3880
TTY Phone: (314) 657-3880

Address:
1520 Market Street
Suite 2080

Hours:
8 a.m. - 5 p.m.

[More Contact Info](#)

Feature

[Affordable Housing Commission COVID-19 Communication Plan](#)

Statement to residents on Affordable Housing Commission's operations during COVID-19 emergency

Affordable Housing Commission of the City of St. Louis

AHC offers LOANS for Construction

Funding is offered in long-term, low interest loans.

**To secure the loan, AHC puts a subordinated deed
on the property.**

AHC has 2 Construction Application Forms

- Rental Housing Application**
- For-Sale Housing Application**

The applications are Excel workbooks. Download the application from:

www.stlouis-mo.gov/government/departments/affordable-housing/documents/fall-2022-nofa-and-applications.cfm

Structuring AHC Funding

Trust Fund loans for Rental Housing are structured in a different manner than loans for For-Sale Housing.

Rental Housing: AHC issues a loan to the developer to subsidize construction costs.

For-Sale Housing: AHC issues a forgivable loan to the developer to subsidize construction costs. The loan is forgiven when the home sells to a qualified homebuyer.

For-Sale Housing: AHC also issues a repayable loan to each homebuyer.

Fall 2022 NOFA

www.stlouis-mo.gov/government/departments/affordable-housing/documents/fall-2022-nofa-and-applications.cfm

Example from 2021 below.

 COVID-19 Information:
[View the latest information about COVID-19 from the City of St. Louis Department of Health](#)

Government > Departments and Agencies > Affordable Housing Commission > Documents

Affordable Housing Commission

Reports to the Community

Universal Design Requirements

Funding Awards

Staff and Commissioners Contacts

Documents

News and Announcements

Fall 2021 NOFA and Applications

Non-profit agencies and developers may apply for three types of funding (separate application forms are available for each type of request): a) Service-related grants (Grant Application) b) Loans and other subsidies for rental housing production (Rental Housing Production Application) c) Loans and other subsidies for for-sale housing developments (For-Sale Housing Production Application)

Publication Date: 08/26/2021
Document Type: RFPs Bids and Notices
Sponsor: Affordable Housing Commission of the City of St. Louis

Summary
Non-profit agencies and developers may apply for three types of funding (separate application forms are available for each type of request):

- a) Service-related grants (Grant Application)
- b) Loans and other subsidies for rental housing production (Rental Housing Production Application)
- c) Loans and other subsidies for for-sale housing developments (For-Sale Housing Production Application)

The Affordable Housing Commission requires all AHC-assisted new construction housing to comply with basic minimum Universal Design concepts and techniques. The criteria for Universal Design can be found at: <https://www.stlouis-mo.gov/government/departments/affordable-housing/documents/universal-design-requirements.cfm>

Due to the Global Pandemic declared on March 11, 2020, and subsequent Federal, State and Local Public Health Orders, for the protection of the public and in keeping with CDC guidelines to effectively reduce risks by social distancing the Affordable Housing Commission will make available presentations titled, "How To Apply for Funding" at 8 a.m., Wednesday, September 8, 2021. You can find the presentations here: <https://www.stlouis-mo.gov/government/departments/affordable-housing/documents/how-to-apply-for-funding.cfm>

The presentations are specifically designed to help new and inexperienced applicants understand how to apply for Trust Fund dollars, and to help previous applicants who have not successfully been awarded Trust Fund dollars understand what makes a great project, what documentation is required, and, what is expected of all proposals.

2 Application Forms: Application for For-Sale Housing – 11 Tabs Application for Rental Housing – 15 Tabs

INSTRUCTIONS FOR COMPLETING THE AHC FOR SALE APPLICATION & PROFORMA WORKSHEETS
General Instructions <ul style="list-style-type: none">A. You will only be able to enter information into yellow input cells. All other cells are protected for AHC use.B. Complete the following worksheets in the order corresponding to their numbering: 1) Application, 2) Development Budget, 3) Construction Costs, 4) Sources & Uses, 5) MVA, 6) Priorities, 7) UD (Universal Design), 8) Living Wage, 9) SIS (Sustainability Impact Statement), 10) 1099, and 11) Conflict of Interest Disclosure.C. To print this entire file, click on <i>File/Print</i> and select <i>"Print Entire Workbook."</i>
1) Application <ul style="list-style-type: none">A. This is the general application form. Insert the amount of your request in Cell Q82. The amount of your request will automatically flow to the Source & Use Worksheet.B. Fill in all applicable yellow cells. Many sections will prompt you with drop-down menus.C. Include all documents and exhibits listed in the Application Checklist (Section XI) with each of the three hard copy applications. Email this Excel Spreadsheet file to AHC's Housing Analyst at: hinerl@stlouis-mo.gov. Applicants must also submit three (3) printed hard copy applications (worksheets 1-11) with all exhibits and original signatures on the final certification page. One copy must be in a three-ring binder, with tabs corresponding to each number (on this checklist). Two (2) copies must be secured with a single binder clip and submitted without tabs, staples or paperclips. 3) Applicants must also provide a complete copy of the application and all exhibits on a labeled USB Flash drive.D. When you print a hard copy of this file, be sure to carefully read and sign the certifications on the final page. Submit the three (3) hard copies with original signatures to AHC.
2) Development Budget <ul style="list-style-type: none">A. Enter development costs for the project. Note: construction costs are entered on the Construction Cost Tab (Worksheet 3).B. The worksheet will automatically calculate the Development Subsidy needed.
3) Construction Costs <ul style="list-style-type: none">A. Enter detailed construction costs.B. Note AHC's limits for overhead, general conditions and profits. Stay within the allowable percentage limits.C. After completing this sheet, check worksheet 2 (Development Budget Worksheet) to insure applicable cost data transferred properly.
4) Proforma Summary - Sources & Uses <ul style="list-style-type: none">A. Enter all permanent sources of financing, debt, and equity.B. Enter all construction sources along with interest rates. Some may be identical to permanent sources.C. Check that permanent sources = uses AND that construction sources = uses.D. Enter additional information if necessary in the "Developer's Notes" section at the bottom of the sheet.
5) Market Value Analysis (MVA) <ul style="list-style-type: none">A. This section is one (1) page. Follow instructions.
6) Priorities (to be Attained) <ul style="list-style-type: none">A. All projects MUST provide housing for households $\leq 80\%$ AMI. This section outlines AHC's priorities for this funding round. Projects that attain funding priorities will receive priority consideration.
7) Universal Design Budget <ul style="list-style-type: none">A. If new construction, input costs attributed to making the AHC-Assisted Units Universally Designed. Sign the UD certification at the end of the Application (Worksheet 1).
8) Living Wage Acknowledgment and Acceptance Declaration <ul style="list-style-type: none">A. Complete this form. If the applicant is a non-profit agency that has previously received funding from AHC and there have been no changes to your agency's non-profit status, Articles of Incorporation and By-laws, sign the No Change Affidavit.
9) Sustainability Impact (SIS) <ul style="list-style-type: none">A. Indicate all activities in your project that advance the City's Sustainability Plan.
10) 1099 Print and complete this form.
11) Compliance Info <ul style="list-style-type: none">A. This sheet outlines AHC's program & eligibility requirements.B. You will not input information on this sheet, but should review it to insure your project remains within Program Limits.

INSTRUCTIONS FOR COMPLETING THE AHC RENTAL APPLICATION & PROFORMA WORKSHEETS
General Instructions <ul style="list-style-type: none">A. You will only be able to enter information into yellow input cells. All other cells are protected or for AHC use.B. Some cells appear black based on data inputted in early sheets/cells. Do not fill in blacked-out cells.C. Complete the following worksheets in the order corresponding to their numbering: 1) Application, 2) Development Budget, 3) Construction Costs, 4) Sources & Uses, 5) Utilities, 6) Units & Revenue, 7) Operating Budget, 8) Cash Flow 3) MVA, 10) Priorities, 11) UD (Universal Design), 12) Living Wage, 13) Sustainability Impact Statement, 14) 1099, and 15) Conflict of Interest Disclosure.D. All worksheets above must be completed. Information on each worksheet is linked to other sheets.E. To print this entire file, click on <i>File/Print</i> and select <i>"Print Entire Workbook."</i>
1) Application <ul style="list-style-type: none">A. This is the general application form.B. Fill in all applicable yellow cells. Many sections will prompt you with drop-down menus. Some cells will initially be blank and will be populated once you have completed the other sheets in this workbook.C. Include all documents and exhibits listed in the Application Checklist (Section XI) with each of the three hard copy applications to AHC before the deadline. Email this Excel Spreadsheet file to AHC's Housing Analyst at: hinerl@stlouis-mo.gov. Applicants must also submit three (3) printed hard copy applications (worksheets 1-15) with all exhibits. One copy must be in a three-ring binder, with tabs corresponding to each number (on this checklist). Two (2) copies must be secured with a single binder clip and submitted without tabs, staples or paperclips. 3) Applicants must also provide a complete copy of the application and all exhibits on a labeled USB Flash drive. If you have any questions about your proposal, AHC's funding requirements or procedures, or the Excel file, please call Loretta Hiner at 314-657-3883 well before the deadline. The deadline is October 28 at 4:00 p.m.D. When you print a hard copy of this file, be sure to carefully read and sign the certifications on the final page. Submit the three (3) hard copies with original signatures to AHC.
2) Development Budget <ul style="list-style-type: none">A. This section is one (1) page. Note that construction costs are entered on Tab 3, labeled Construction Costs.B. The worksheet will automatically calculate Total Development Costs (TDC).
3) Construction Costs <ul style="list-style-type: none">A. Enter detailed construction costs.B. Note AHC limits for overhead, general conditions and profits. Stay within the allowable percentage limits.C. After completing this Worksheet, check Development Budget (Tab 2), to insure cost data transferred properly.
4) Summary Sources & Uses <ul style="list-style-type: none">A. Enter all permanent sources of financing, debt, and equity. Include interest rates where applicable.B. Enter the amount of your request to AHC in Cell E28. AHC Permanent Loan you may enter 0% interest or another interest rate.C. Enter all construction sources along with interest rates. Some may be identical to permanent sources.D. Check that permanent sources = uses AND that construction sources = uses.E. Enter any additional information you wish to provide to AHC in the "Developer's Notes" section at the bottom of the sheet.
5) Utilities <ul style="list-style-type: none">A. Utility Allowance: Indicate the type of utilities the project will have, as well as which will be paid by the owner and which will be paid by tenants. For utilities paid by tenants, enter the applicable utility allowance for each using the utility allowance tables found at www.sba.org/for-partners/for-sale-formal
6) Units & Revenue <ul style="list-style-type: none">A. <i>Unit Distribution:</i> For each bedroom type, input the requested information. Include the Contract Rent (the rent you will be charging tenants or rent that a voucher will provide).B. <i>Square Footage Breakdown:</i> Enter the commercial square footage and common area square footage, if applicable.C. <i>Other Income:</i> Enter other sources of revenue you are reasonably confident the project will receive.D. <i>Annual Operating Subsidies:</i> If the project will receive an operating subsidy, enter the source & amount.
7) Annual Operating Budget <ul style="list-style-type: none">A. Input a vacancy rate (7% is the default entry). You may modify this as appropriate.B. Enter the expected stabilized operating expenses.C. Review the Estimated Mortgage calculations. This is the estimated permanent debt your project can support.
8) Operating Cash Flow Projections <ul style="list-style-type: none">A. AHC will be assessing this project's ability to repay debt.B. You may modify the default vacancy factor. Be prepared to justify your changes.
9) Market Value Analysis (MVA) <ul style="list-style-type: none">A. This section is one (1) page. Follow instructions.
10) Priorities (to be Attained) <ul style="list-style-type: none">A. All projects MUST provide housing for households $\leq 80\%$ AMI. This section outlines AHC's priorities for this funding round. Projects that attain funding priorities will receive additional consideration.
11) Universal Design Budget <ul style="list-style-type: none">A. If new construction, input costs to make the AHC-Assisted Units Universally Designed. Sign the UD certification on page 14 (Tab 1).
12) Living Wage Acknowledgment & Acceptance <ul style="list-style-type: none">A. Complete this form. If the applicant is a non-profit agency that has previously received funding from AHC and there have been no changes to your agency's non-profit status, Articles of Incorporation and By-laws, please sign the No Change Affidavit.
13) Sustainability Impact Statement <ul style="list-style-type: none">A. Indicate all activities in your project that advance the City's Sustainability Plan.
14) 1099
15) Conflict of Interest Disclosure

Tab 1) Application – Fill Yellow Cells
Rental housing Tab 1) page 2 - 15
For-Sale housing Tab 1) page 2 - 13

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	FOR-SALE HOUSING PRODUCTION APPLICATION																				
2	AFFORDABLE HOUSING COMMISSION																				
3	4) 657-3880																				
4																					
5	General Information																				
6	Development Information																				
7	Project Name: _____																				
8	Street Address: _____										Neighborhood: _____										
9	St. Louis, MO					Zip: _____					Ward: _____					Census Tract: _____					
10	Property ID#:																				
11																					
12																					
13																					
14																					
15																					
16																					
17																					
18	Is property located on or north of Delmar Blvd? _____																				
19	Is property in one of the Zip Codes below? _____																				
20	63101 63102 63103 63106 63107 63108 63112 63113 63115 63147																				
21	Do You Object To Receiving SLFRF Funding? _____																				
22																					
23	Is property in a City of St. Louis 2022 HUD Qualified Census Tract? _____																				
24	2022 HUD Qualified Census Tract: https://www.huduser.gov/portal/sadda/sadda_qct.html																				
25																					
26																					
27	Total Number of Units planned _____																				
28	Number of Market Rate Units _____																				
29	Number of Low/Mod Units at 80% AMI _____																				
30	Number of Low/Mod Units at 70% AMI _____																				
31	Number of Low/Mod Units at 60% AMI _____																				
32	Number of Low/Mod Units at 50% AMI _____																				
33	Number of Low/Mod Units at 40% AMI _____																				
34	Number of Low/Mod Units at 30% AMI _____																				
35	Number of Low/Mod Units at 20% AMI _____																				
36	Construction Type _____																				
37	Housing Type _____																				
38	Project Summary <i>Briefly describe your project.</i>																				
39																					
40																					
41																					
42																					
43																					
44																					
45																					
46																					
47																					
48																					
49																					
50																					
51	Project description (continued)																				
52																					

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1	RENTAL HOUSING PROGRAMS APPLICATION																			
2	AFFORDABLE HOUSING COMMISSION																			
3																				
4	General Information																			
5	Development Information																			
6	Development Name: _____																			
7	Street Address: _____										Neighborhood: _____									
8	St. Louis, MO					Zip: _____					Ward: _____					Census Tract: _____				
9	Property ID#:																			
10																				
11																				
12																				
13																				
14																				
15																				
16																				
17																				
18	Is property located on or north of Delmar Blvd? _____																			
19	Is property in one of the Zip Codes below? _____																			
20	63101 63102 63103 63106 63107 63108 63112 63113 63115 63147																			
21	Do You Object To Receiving SLFRF Funding? _____																			
22																				
23	Is property in a City of St. Louis 2022 HUD Qualified Census Tract? _____																			
24	2022 HUD Qualified Census Tract: https://www.huduser.gov/portal/sadda/sadda_qct.html																			
25																				
26																				
27	Total Number of Units Planned _____																			
28	Number of Market Units _____																			
29	Number of Units at 80% _____																			
30	Number of Units at 70% _____																			
31	Number of Units at 60% _____																			
32	Number of Units at 50% _____																			
33	Number of Units at 40% _____																			
34	Number of Units at 30% _____																			
35	Number of Units at 20% _____																			
36	Construction Type _____																			
37	Housing Type _____																			
38	Project Summary <i>Briefly describe your project.</i>																			
39																				
40																				
41																				
42																				
43																				
44																				
45																				
46																				
47																				
48																				
49																				
50																				
51																				
52																				
53																				

The background features a series of concentric circles in light gray, some solid and some dashed, creating a ripple effect. A large green speech bubble is centered on the page, containing the text 'Rental Housing'.

Rental Housing

Rental Housing - Gap

The gap is the shortfall when the revenue stream generated by affordable rental housing is not able to cover the cost to construct the housing. The gap is the difference between the cost to produce the housing and the developer's secured resources.

Rental Housing Funding Limit

Eligible for up to 30% of Total Development Cost

Units funded should be affordable 15-30 years

Rent charged must not exceed 30% of tenant income

Repayable & Forgivable Trust Fund Loans

AHC issues forgivable loans to developers creating housing that will be dedicated to households earning $\leq 20\%$ AMI.

AHC is willing to structure repayable loans as cash-flow only loans. This means that AHC's annual repayment comes from Net Cash Flow, or a percentage of NCF. In such cases, if there is no NCF, the AHC repayment is not paid until maturity.

How to Calculate the Amount to Request

Total Development Cost to rehab 6 rental homes = \$400,000

$$\text{\$400,000} \times .30 = \text{\$120,000}$$

Maximum request to AHC

Developer	\$280,000
<u>AHC Funding</u>	<u>\$120,000</u>
Total Development Cost	\$400,000

How Much to Request Per Unit?

$$\frac{\text{\$120,000}}{6} \text{ Funding Request} = \text{\$20,000 Units}$$

Rental Loan Terms – Annual repayment to the Commission if there is Surplus Cash Flow.

State the Terms You Want - Tab 1, Page 2 of the Application, Cell B84.

Indicate preferred repayment terms:

\$120,000 0% interest, repayable, 30-year loan to be paid from net cash flow (NCF).

Rental Housing: Source & Use Tab

Amount of loan requested: Tab 4) Cell E-25

Affordable Housing Commission Rental Production Application/Proforma							
Sources & Uses Summary							
Project Name	0	Unit Type	0	Total Units:	0		
Developer	0	Total Square Feet:	0	AHC Units:	0		
Project Type:	0	Avg SqFt/Unit:	#DIV/0!	20% AMI Units:	0		
AHC Request:	\$0	Target Population:	0	LMI Units:	0		
		Average Rent	#DIV/0!				
Development Costs		Total	Per Unit	% of Total			
Total Predevelopment		\$0	#DIV/0!	#DIV/0!			
Total Acquisition		\$0	#DIV/0!	#DIV/0!			
Total Construction		\$0	#DIV/0!	#DIV/0!	Construction Cost/SqFt:	#DIV/0!	
Total Professional Services		\$0	#DIV/0!	#DIV/0!	Total Cost/SqFt:	#DIV/0!	
Total Carrying & Construction Financing		\$0	#DIV/0!	#DIV/0!			
Total Permanent Financing		\$0	#DIV/0!	#DIV/0!			
Total Reserves		\$0	#DIV/0!	#DIV/0!			
Total Fees/Misc (not Developer Fee)		\$0	#DIV/0!	#DIV/0!			
Developer Fee before completion		\$0	#DIV/0!	#DIV/0!			
Developer Fee after completion		\$0	#DIV/0!	#DIV/0!			
Total Development Costs		\$0	#DIV/0!	#DIV/0!			
Permanent Sources	Source:	Total	Per Unit	% of Total	Interest Rate	Loan Term	Annual Payment
Bank Mortgage	Est. mortgage: \$0		#DIV/0!	#DIV/0!			
AHC Permanent Loan requested*			#DIV/0!	#DIV/0!			
Estimated MO State Historic Tax Credits			#DIV/0!	#DIV/0!			
Estimated Federal Historic Tax Credits			#DIV/0!	#DIV/0!			
Developer Equity			#DIV/0!	#DIV/0!			
Source 1: CDA			#DIV/0!	#DIV/0!			
Source 2:			#DIV/0!	#DIV/0!			
Source 3:			#DIV/0!	#DIV/0!			
Source 4:			#DIV/0!	#DIV/0!			
Source 5:			#DIV/0!	#DIV/0!			
Total Sources		\$0	#DIV/0!	#DIV/0!			\$0
(GAP) or Surplus		\$0	#DIV/0!	#DIV/0!			#DIV/0!
Construction Financing Sources							
(May include permanent sources listed above.)							
Private Construction Loan (bank financing)			#DIV/0!				
Developer Equity (Self-financing for acquisition, predevelopment, etc.)			#DIV/0!				
Deferred Developer Fee			#DIV/0!				
Other: CDA			#DIV/0!				
Other:			#DIV/0!				
Other:			#DIV/0!				

Rental Operating Budget

Once constructed, the project must show it can afford to operate – Tab 7

Affordable Housing Commission Rental Production Application/Proforma							
ANNUAL OPERATING BUDGET							
Project:	0			Developer:	0		
Address:	0			AHC-Assisted Units:	0		
AHC Request:	\$0			20% AMI Units:	0		
Construction:	0			LMI Units:	0		
Housing:	0			Total Units:	0		

REVENUE	Annual	Per Unit	% Adj Income
Gross Rent Potential	\$0	#DIV/0!	
Other Revenue	\$0	#DIV/0!	
Subtotal	\$0	#DIV/0!	
Combined Vacancy Rate	7.0%	\$0	#DIV/0!
Adjusted Gross Income	\$0	#DIV/0!	

OPERATING EXPENSES	Annual	Per Unit	% Adj Income
Administrative Costs			
Advertising	#DIV/0!	#DIV/0!	
Management	#DIV/0!	#DIV/0!	
Legal/Partnership	#DIV/0!	#DIV/0!	
Accounting/Audit	#DIV/0!	#DIV/0!	
Compliance Monitoring	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Subtotal	\$0	#DIV/0!	#DIV/0!
Maintenance			
Decorating	#DIV/0!	#DIV/0!	
Repairs	#DIV/0!	#DIV/0!	
Exterminating	#DIV/0!	#DIV/0!	
Grounds	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Subtotal	\$0	#DIV/0!	#DIV/0!

Operating	Annual	Per Unit	% Adj Income
Security	#DIV/0!	#DIV/0!	
Common Electricity	#DIV/0!	#DIV/0!	
Water/Sewer	#DIV/0!	#DIV/0!	
Gas	#DIV/0!	#DIV/0!	
Trash Removal	#DIV/0!	#DIV/0!	
Payroll	#DIV/0!	#DIV/0!	
Payroll Taxes & Fringes	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Subtotal	\$0	#DIV/0!	#DIV/0!

Escrows & Reserves	Annual	Per Unit	% Adj Income
Insurance	#DIV/0!	#DIV/0!	
Real Estate Taxes	#DIV/0!	#DIV/0!	
Other Taxes	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Other:	#DIV/0!	#DIV/0!	
Subtotal	\$0	#DIV/0!	#DIV/0!

Total Operating Expenses	Annual	Per Unit	% Adj Income
Total Operating Expenses	\$0	#DIV/0!	#DIV/0!
Replacement Reserve	#DIV/0!	#DIV/0!	
Op Expenses + Replace. Reserve	\$0	#DIV/0!	#DIV/0!
NET OPERATING INCOME	\$0	#DIV/0!	#DIV/0!

Estimated Mortgage	
Debt Coverage Ratio Year 1	1.25
Interest Rate	
Term	
Annual Payment	\$0
Mortgage Amount (PV)	\$0

Annual Income and Expenses	
Adjusted Gross Income	\$0
Annual Operating Expense + Replacement Reserve	\$0
Net Operating Income (Effective Income - Expenses)	\$0
Annual Debt Service <i>priority loan 1</i>	\$0
Annual Debt Service <i>priority loan 2</i>	--

NCF Year 1 (stabilized)	
NCF Year 1 (stabilized)	\$0 #DIV/0!

Rental Housing In exchange for AHC loan

AHC will issue:

- Lien on the property
- Agreement for Covenants & Restrictions (LURA) on the property securing/restricting the income of the tenants for the length of the loan.

Rental Housing Loan Terms

Income Restriction Matches Term of the Loan

In exchange for the Trust Fund loan, AHC issues a covenant of restrictions on the property restricting the income of the tenants for the term of the loan, typically 30 years.

EXAMPLE: a 0% interest loan with a 30-year loan term will have an income restriction for 30 years.

Rental Housing Structuring the AHC Loan

Applicant requests \$120,000 0% interest, 30-year loan to be paid from annual cash flow to rehabilitate 6 rental units that will be leased to tenants earning 70% AMI for 30 years.

\$120,000 0% interest, 30-year repayable loan

Calculate Repayment:

$$\frac{\$120,000}{30} \text{ Loan Years} = \$4,000 \text{ Annual Repayment}$$

Rental Housing Annual Responsibilities & Reporting

- Insurance policy
- Annual Repayment on AHC Loan, if Cash Flow is available
- Audited Financial Statements
- Tenant Income Certifications
- Ensure the property remains leased, in good repair and financially solvent for 30 years or the life of the loan.

The background features a series of concentric circles in light gray, some solid and some dashed, creating a ripple effect. A large green speech bubble is centered on the page, with a small tail pointing downwards.

For-Sale Housing

For-Sale Housing - Gap

Trust Fund dollars bridge the gap between the cost to build the home and its appraised value.

Trust Fund dollars also provide second mortgage loans to income-eligible homebuyers. Trust Fund dollars make the home affordable by reducing the size of the 1st mortgage loan

For-Sale Homes

Funding Split:

Subsidize Construction Costs – Forgivable Loan

Provide Funding for Buyers – Repayable Loan

- 30-year
- 0% interest
- Subordinate loan, repaid after 1st mortgage is paid
- Repaid to AHC if house sells

For-Sale Homes

Funding Limits: Eligible for 25% Total Development Cost

How To Calculate the Request?

Total Development Cost = \$600,000 *4 homes*

$$\text{\$600,000} \times .25 = \text{\$150,000}$$

Developer	\$450,000
------------------	------------------

<u>AHC Funding</u>	<u>\$150,000</u>
---------------------------	-------------------------

Total Development Cost	\$600,000
-------------------------------	------------------

For-Sale Homes - Funding Structure

Trust Fund Request \$150,000 for 4 units

Buyer Subsidies \$ 10,000/Unit x 4 Units

\$ 150,000 AHC Request

- \$ 40,000 4 Buyer Subsidies

\$ 110,000 Developer Subsidy

For-Sale Funding Structure, continued

Trust Fund Request \$150,000

4 homes = \$ 37,500/Unit

Forgivable Developer Subsidy = \$ 27,500/Unit

AHC reimburses developer as homes are constructed

Repayable Buyer Subsidy = \$ 10,000/Unit

- 30-year
- 0% interest
- Subordinate loan, repaid after 1st mortgage is paid
- Repaid to AHC if house sells

For-Sale Funding Request

Request the Terms You Want - Tab 1, Application, Cell Q82

Assistance Request Information

Amount requested?

\$150,000

Requested Forgivable Developer Subsidy?

\$110,000

Requested Repayable Buyer Subsidy (total sum)?

\$40,000

Number of Repayable Buyer Subsidies Requested:

4

Amount of each Repayable Buyer Subsidy:

\$10,000

For-Sale Maximum Sale Price of Trust Fund-assisted Units

1-Family Building \$185,000 3-Family Building \$230,000
 2-Family Building \$210,000 4-Family Building \$250,000

V. Home Pricing & Market Assessment

	Street Address	SF	BR	BA	Projected Sale Price	AHC Repayable Buyer Subsidy
Unit 1						
Unit 2						
Unit 3						
Unit 4						
Unit 5						
Unit 6						
Unit 7						
Unit 8						
Unit 9						
Unit 10						
Unit 11						
*Buyer Assistance typically ranges between \$8,000 - \$10,000 per home.						
Square Feet:	0	Home Sale Proceeds		\$0	Sum Buyer Subsidies	\$0

What Makes a Great Project?

Development solves an affordable housing problem.

Primary funding is secured. Conditional commitment of all other funding.

If rental, request is 30% or less of Total Development Cost.

If for-sale, request is 25% or less of Total Development Cost.

Development attains 1 or more AHC priorities.

Developer has site control (deed, option, signed contract, etc...)

Alderman supports the project and provides a letter of support.

Applicant has a construction bid.

Ability to begin and complete construction within 16 months.

Universally Designed – if new construction.

Lead Safe at completion – if rehabilitation

Application is complete and submitted before deadline of October 28 at 4 p.m.

AHC Priorities, Page 1

- Propose housing, shelter, or housing services for persons and families with incomes at or below 20% of the area median income.**
- Propose permanent supportive housing for special needs and vulnerable populations with incomes at or below 30% of the area median income.**
- Propose housing, shelter, or housing services for persons and families with incomes at or below 65% of the area median income.**
- Proposes housing, shelter, or housing services for persons and families with incomes at or below 80% of the area median income and is located within a U.S. Department of Housing and Urban Development Qualified Census Tract in the City of St. Louis (2022).
https://www.huduser.gov/portal/sadda/sadda_qct.html.**

AHC Priorities, Page 2

- **Provide assistance or initiatives that prevent homelessness for households or individuals earning at or below 80% AMI.**
- **Develop affordable housing units while advancing fifteen (15) or more objectives outlined in the City's Sustainability Plan.**
- **Develop affordable housing within one half-mile of public transportation.**
- **Comprehensively retrofit or rehabilitate affordable housing units to a national green building standard (LEED, Enterprise Green, NGBS, etc.), or have an energy audit with a HERS of 85 or less.**

AHC Review & Analysis

- Projects are evaluated for eligibility and completeness.
- Project costs are calculated and compared against competing applications and across industry averages.
- The project's cohesiveness and impact in the neighborhood is assessed.
- The project's financial leverage, financial strength and neighborhood and political support are reviewed.
- The project's feasibility is assessed.
- The Commission evaluates the need for the proposed project.
- The developer's track record, reputation and capacity are weighed.
- AHC reviews and considers the project's ability to achieve AHC priorities.
- AHC considers the developer and sponsor's history of working with the Trust Fund and compliance of past projects.

How Trust Fund Decisions are Made

1. Commission staff perform a thorough review & analysis of each proposal.
2. Staff make recommendations to the Commission.
3. The Affordable Housing Commission votes on funding awards and terms.

Deadline & Submission

Deadline: Friday, October 28, 2022 at 4 p.m.

- 3 paper copies
 - 1 in a 3-ring binder w/ tabs
 - 2 copies without tabs and secured with a binder clip
 - Provide complete application with all exhibits on a USB drive
- Email a copy of application to: hinerl@stlouis-mo.gov

Questions: 314-657-3883